Expedited Bill No. 18-09

Concerning: Personnel - Retirement - Imputed Compensation

Revised: May 13, 2009 Draft No. 6

Introduced: April 14, 2009

Enacted: May 13, 2009

Executive: May 21, 2009

Effective: July 1, 2009

Sunset Date: None

Ch. 15 , Laws of Mont. Co. 2009

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

amend the definition of regular earnings to include certain imputed compensation under the employees' retirement system; [[and]]

(2) <u>provide a one-time County contribution to the retirement savings plan and the guaranteed retirement income plan; and</u>

generally amend the law regarding the employees' retirement system.

By amending

Montgomery County Code Chapter 33, Personnel and Human Resources Sections 33-35, 33-40, and 33-117

* * * Existing law unaffected by bill.	Boldface Underlining [Single boldface brackets] Double underlining [[Double boldface brackets]] * * *	Heading or defined term. Added to existing law by original bill. Deleted from existing law by original bill. Added by amendment. Deleted from existing law or the bill by amendment. Existing law unaffected by bill.
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The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. [[Section]] Sections 33-35, 33-40, and 33-117 are [[is]] amended 1 as follows: 2

Sec. 33-35 Definitions

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In this Article, the following words and phrases have the following 4 meanings: 5

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Regular earnings: Except as otherwise provided, gross pay for actual hours worked, [exclusive of] not including overtime. Regular earnings for a Group A, E, or H member who is employed on July 1, 2009 and participates in the integrated or optional plan must include amounts as if the member had received an increase of 10 4.5% in the member's gross pay as of July 1, 2009, except for the purpose of calculating a member's contribution under Section 33-39. Regular earnings for a 12 Group F member who is employed on July 1, 2009 and participates in the 13 integrated or optional plan must include amounts as if the member had received an 14 increase of 4.25% in the member's gross pay as of July 1, 2009, except for the 15 purpose of calculating a member's contribution under Section 33-39. Regular 16 earnings for a Group G member who is employed on July 1, 2009 and participates 17 in the integrated or optional plan must include amounts as if the member had 18 received an increase of 4% in the member's gross pay as of July 1, 2009, except 19 for the purpose of calculating a member's contribution under Section 33-39. 20 Regular earnings for an elected official is gross pay for services rendered to the 21 County. Regular earnings must not exceed the limit under Internal Revenue Code 22 Section 401(a)(17), as adjusted by the Internal Revenue Service. Gross pay must 23 be used to determine benefits even if the County implements a pick-up plan under 24 Section 414 of the Internal Revenue Code. Gross pay must be used to determine 25 benefits even if a member has agreed to a reduction in earnings under: 26

- 27 (a) the County's deferred compensation plan under Section 457 of the
 28 Internal Revenue Code; or
- 29 (b) any statutory fringe benefit program sponsored by the County and 30 permitted by the Internal Revenue Code.

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33-40. Employer Contributions.

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- (e) Guaranteed retirement income plan.
- Each pay period, the County must credit to each member's (1) 35 guaranteed retirement income plan account an amount equal to 36 8% of the member's regular earnings. The County must make a 37 one-time credit equal to .36% of the member's fiscal year 2010 38 regular earnings to the member's guaranteed retirement income 39 plan account on the second pay period in July 2010 for a 40 member who is on the County payroll as of June 30, 2009 and 41 who is also on the County payroll as of June 30, 2010. Interest 42 must be credited at a rate of 7.25% on the County contribution 43 If the 7.25% interest rate does not comply with credits. 44 applicable law, the third segment rate described in Internal 45 Revenue Code Section 430(h)(2)(G) or any successor provision 46 must apply. Interest must be credited to a member's guaranteed 47 retirement income plan account balance on a monthly basis as 48 of the last day of the month. 49

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51 Sec. 33-117. Employer contributions.

(a) Amount of employer contributions.

53	(1)	Group I participants. The County must contribute to the
54		retirement savings plan in quarterly installments, on behalf of
55		each Group I participant, an amount equal to 8% of that
56		participant's regular earnings while a Group I participant during
57		a plan year. The County must make a one-time contribution of
58		.36% of the participant's fiscal year 2010 regular earnings on
59		the second pay period in July 2010 for a Group I participant on
60		the County payroll as of June 30, 2009 and who is also on the
61		County payroll as of June 30, 2010,
62	(2)	Group II participants. The County must contribute to the
63		retirement savings plan in quarterly installments, on behalf of
64		each Group II participant, an amount equal to 10% of that
65		participant's regular earnings while a Group II participant
66		during a plan year. The County must make a one-time
67		contribution of .36% of the participant's fiscal year 2010
68		regular earnings on the second pay period in July 2010 for a
69		Group II participant on the County payroll as of June 30, 2009
70		and who is also on the County payroll as of June 30, 2010,

Sec. 2. Expedited Effective Date. The Council declares that this Act is necessary for the immediate protection of the public interest. This Act takes effect on July 1, 2009.

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	Philip M. Andrews, President, County Council Date	
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79	Isiah Leggett, County Executive My 31, 202 9 Date	
80	This is a correct copy of Council action.	
81	Sinda M. Lauer gene 1, 2009	-
	Linda M. Lauer, Clerk of the Council Date	